

# Office of Audit Services



## Public Agency Review BETA Healthcare Group Risk Management Authority

Employer Code: 1881  
CalPERS ID: 6221875602  
Job Number: FR12-004

October 2013



California Public Employees' Retirement System  
Office of Audit Services  
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October 25, 2013

Employer Code: 1881  
CalPERS ID: 6221875602  
Job Number: FR12-004

BETA Healthcare Group Risk Management Authority  
Thomas Wander, CEO  
1443 Danville Blvd.  
Alamo, CA 94507

Dear Mr. Wander:

Enclosed is our final report on the results of the public agency review completed for the BETA Healthcare Group Risk Management Authority. Your written response, included as an appendix to the report, indicates agreement with the issues noted in the report. In accordance with our resolution policy, we have referred the issues identified in the report to the appropriate division at CalPERS. Please work with the division to address the recommendations specified in our report. It was our pleasure to work with your Authority and we appreciate the time and assistance of you and your staff during this review.

Sincerely,

Original Signed By Margaret Junker  
MARGARET JUNKER, Chief  
Office of Audit Services

Enclosure

cc: BETA Council, BETA Healthcare Group Risk Management Authority  
Karen Suryan, Controller, BETA Healthcare Group Risk Management Authority  
Risk and Audit Committee Members, CalPERS  
Gina M. Ratto, Interim General Counsel, CalPERS  
Karen DeFrank, Chief, CASD, CalPERS  
Anthony Suine, Chief, BNSD, CalPERS

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# BETA HEALTHCARE GROUP RISK MANAGEMENT AUTHORITY

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# BETA HEALTHCARE GROUP RISK MANAGEMENT AUTHORITY

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## RESULTS IN BRIEF

The Office of Audit Services (OAS) reviewed the BETA Healthcare Group Risk Management Authority's (Authority) methodology for establishing employee payrates for compensation earnable.<sup>1</sup> OAS also reviewed documentation and information to determine whether the Authority has been properly reporting pay amounts.

OAS noted a number of issues which are presented in the Results section beginning on page 3 of this report. Specifically, the following findings were noted during the review:

- Payrates reported to CalPERS failed to qualify as compensation earnable under the Public Employees' Retirement Law (PERL), Government Code section 20636, and the California Code of Regulations (CCR) section 570.5. Specifically,
  - The normal monthly rate of pay or base pay was not paid pursuant to publicly available pay schedules.
  - Pay schedules were not public documents available for public scrutiny.
  - Pay schedules were not duly approved and adopted by the Authority's governing body in accordance with PERL requirements, regulatory requirements, and the requirements of applicable public meeting laws.
  - The Authority's Council held a council meeting on September 17, 2012, to retroactively adopt and approve the 2012 pay schedule; however, the meeting was not conducted in accordance with PERL requirements or requirements of the applicable public meeting laws.
  - Pay schedules did not comply with various requirements of CCR section 570.5, including but not limited to: pay schedules were not posted at the office of the employer nor were they immediately accessible and available for public review from the employer during normal business hours or posted on the employer's internet website; pay schedules did not include payrates for each position identified in a single amount or within a reasonable range.

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<sup>1</sup> This review did not include an assessment as to whether the Authority is a "public agency" (as that term is used in the California Public Employees' Retirement Law), and OAS therefore expresses no opinion or finding with respect to whether the Authority is a public agency or whether its employees are employed by a public agency.

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# **BETA HEALTHCARE GROUP RISK MANAGEMENT AUTHORITY**

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## **AUTHORITY BACKGROUND**

The Authority contracted with CalPERS effective January 1, 2004, to provide retirement benefits for local miscellaneous employees. The Authority's current contract amendment identifies the length of the final compensation period as twelve months for all coverage groups.

By way of the Authority's contract with CalPERS, the Authority agreed to be bound by the terms of the contract and by the Public Employees Retirement Law (PERL). The Authority also agreed to make its employees members of CalPERS subject to all provisions of the PERL.

All contracting public agencies, including the Authority, must comply with the PERL, including all provisions related to compensation pursuant to Government Code sections 20630, 20636, and the corresponding California Code of Regulations, including CCR section 570.5.

## **SCOPE**

As part of the Board approved plan for fiscal year 2012/2013, the OAS performed a review of the Authority's method for establishing payrates as these processes relate to the Authority's retirement contract with CalPERS. The review was limited to the examination of the Authority's methodology for establishing payrates and whether the Authority's reported pay amounts for its employees met the requirements of compensation earnable, and payrate, as defined in Government Code section 20636 and California Code of Regulations section 570.5 for the period of December 1, 2009, through September 17, 2012. The on-site review was conducted on September 18, 2012. The review objectives and a summary of the procedures performed are listed in Appendix B.

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# BETA HEALTHCARE GROUP RISK MANAGEMENT AUTHORITY

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## REVIEW RESULTS

Payrates reported to CalPERS failed to qualify as compensation earnable because the Authority does not have publicly available pay schedules as required by Government Code section 20636(b)(1).

### **Recommendations:**

The Authority must ensure reported pay amounts are set forth in publicly available pay schedules and meet the definition of payrate under Government Code section 20636(b)(1) and related regulations. Only pay that constitutes compensation earnable, as defined under Government Code section 20636 and corresponding regulations, can be reported to CalPERS and considered in calculating retirement benefits.

OAS recommends that the Authority work with CalPERS CASD to ensure compliance with the compensation earnable provisions of the PERL and to ensure all pay schedules are publicly available. Failure to correct the issues identified in this report will result in individual employees' retirement benefits being calculated only with those amounts that constitute payrate and special compensation. This means that all pay amounts that do not meet the definitions in Government Code section 20636 and related regulations, will not be used when determining individual employees' retirement benefits. The Authority should work with CASD to determine all individuals impacted by the incorrect reporting and to determine what adjustments are needed to correct the improperly reported pay amounts. To the extent that any amounts of pay were improperly included in the retirement allowance afforded individuals who have already retired, a correction to the retirement allowance should be made pursuant to Government Code section 20160.

### **Condition:**

Pursuant to the definitions in Government Code section 20636, the compensation earnable by an employee is based on payrate and special compensation. Government Code section 20636(b)(1) provides that "payrate" means the normal monthly rate of pay or base pay of the member paid in cash to similarly situated members of the same group or class of employment for services rendered on a full-time basis during normal working hours, pursuant to publicly available pay schedules. Both payrate and special compensation must be predictable to ensure the predictability of the employee's final compensation for purposes of calculating

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the employee's retirement allowance and to assure the proper funding of retirement benefits. Payrate must also be included on a publicly available salary schedule.

The Authority confirmed it lacked publicly available pay schedules for all positions in the years prior to 2012. Although the Authority contends it had a publicly available pay schedule for 2012, for the reasons discussed in detail below, it appears that is not the case.

In an effort to justify the lack of publicly available pay schedules, the Authority explained that salaries are negotiated with employees based on experience and education and that listing each position's payrate in a publicly available pay schedule would put the Authority at a competitive disadvantage for obtaining the best employees when competing for top candidates during its hiring process.

OAS understands that CASD provided information to assist the Authority in bringing its pay schedules into compliance with Government Code section 20636(b)(1) and (d) and related regulations. CASD requested the Authority to identify the step increases within each range to ensure transparency during discussions with the Authority in several e-mail correspondences. In an email response dated April 24, 2012, Authority made the following statement:

"The format sent to CalPERS is the same format used for the posting by the State Controller's Office, except the State Controller's office does request some additional information not requested by CalPERS and, therefore, is not included on the schedule submitted to CalPERS. As the Authority prefers to be consistent, it will not revise the format that is being used."

For purposes of determining retirement benefits, CalPERS utilizes the PERL and related regulations. CalPERS must administer the System in accordance with the PERL and its regulations, irrespective of what information is or is not provided by an employer to the State Controller's Office.

On April 24, 2012, the Authority informed CalPERS CASD that specific salary schedules are not submitted to the Board. The Chief Executive Officer (CEO) is given the authority to approve the specifics of compensation for all positions other than his own. The Authority further stated that pay schedules were included as a single line item in the annual budget presented to the Authority's Council. In cases interpreting the PERL payrate provisions, the courts have been clear that in order to constitute payrate, pay amounts must be included in publicly available pay

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schedules.<sup>2</sup> It is not sufficient to have pay amounts included in other documents such as budgets or individual employment agreements.

Even in those instances where the Authority provided pay schedules, albeit not publicly available, the schedules failed to provide sufficient information to determine with any specificity an individual payrate given the broad pay ranges used. The difference between the low end and the high end of the ranges were quite significant. For example, the Claims Rep position annual salary ranged from a low of \$52,530 to a high of \$146,616. The high end of the range is almost three times as much as the low end of the range. The Authority was unable to provide pay schedules that identified pay amounts that were predictable and stable among members of a group or class of employment. A public agency contracting with CalPERS for retirement benefits must have a publicly available pay schedule that shows the payrate for each position and which is representative of the amount that is being paid to the individuals in each specific group or class of employment. The pay schedules provided by the Authority fail to accomplish this.

Based on the Authority's statements and lack of documentation, as well as all information and documentation reviewed, OAS finds that the Authority failed to establish compliance with Government Code section 20636(b)(1) because it has not produced documents that constitute publicly available pay schedules. The Authority also improperly reported pay amounts that fail to meet the definition of payrate. As a result, the pay amounts reported to date cannot be used to calculate retirement benefits because the amounts do not meet the definition of payrate under Government Code section 20636(b)(1). There are no exceptions to the requirements included in Government Code section 20636(b)(1).

**Criteria:**

*Government Code § 20160, §20636*

*California Code of Regulations § 570.5*

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<sup>2</sup> See for example, *Prentice v. Board of Administration* (2007) 157 Cal.App.4<sup>th</sup> 983 and *Molina v. Board of Administration* (2011) 200 Cal.App.4<sup>th</sup> 53.



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Pay amounts reported to CalPERS failed to qualify as compensation earnable because the Authority did not have payrate and special compensation schedules that were public records available for public scrutiny as required by Government Code section 20636(d).

## **Recommendations:**

The Authority must ensure that all payrates and special compensation schedules are public documents available for public scrutiny. OAS recommends that the Authority work with CASD to correct the improperly reported amounts and to obtain compliance with the compensation earnable provisions of the PERL. Failure to correct the issues identified will result in individual employees' retirement benefits being calculated without any amounts of pay that fail to meet Government Code section 20636(d).

The Authority should work with CASD to determine all individuals impacted by this incorrect reporting and to determine what adjustments are needed to correct the improperly reported pay amounts. To the extent that any amounts of pay were improperly included in the retirement allowance afforded individuals who have already retired, a correction to the retirement allowance should be made pursuant to Government Code section 20160.

## **Condition:**

OAS discussed with the Authority the method it used for establishing the payrates in the 2010, 2011 and 2012 pay schedules. As noted earlier, the Authority stated that salaries are negotiated with employees based on experience and education and that listing each position's payrate in a publicly available pay schedule would put the Authority at a competitive disadvantage for obtaining the best employees when competing for top candidates during its hiring process. Further, the Authority made the following written statements regarding publicly available pay schedules to CASD in emails dated March 16, 2012 and April 24, 2012, respectively:

- Any communications regarding compensation should be sent to the Human Resource Director's attention only or to a confidential fax number.
- Pay schedules are available in the Human Resource Directors office (at the Danville location only) should a request for a pay schedule be made at any one of the Authority's three locations.

The pay schedules (that were not publicly available) identified ranges that included very significant differences between the low end and high end of pay ranges. Such broad ranges do not provide sufficient information to put the public on notice of what

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is actually being paid to those holding the identified position and does not permit public review or scrutiny. Such broad ranges also reduce transparency and potentially allow an employee to receive a substantial and arbitrary increase not received by all employees in the same group or class, which heightens the risk of large increases to an employee's pay during the final compensation period and can lead to insufficient funding for retirement benefits.

Based on the Authority's statements, lack of documentation, as well as the information and documentation reviewed, OAS finds that the Authority failed to establish compliance with Government Code section 20636(d). The Authority also improperly reported pay amounts that failed to meet the requirements of Government Code section 20636(d). As a result, the pay amounts reported to date cannot be used to calculate retirement benefits because the amounts do not meet Government Code section 20636(d). There are no exceptions to the Government Code section 20636(d).

***Criteria:***

Government Code: § 20160, § 20636

California Code of Regulations: § 570.5

Payrates reported to CalPERS failed to qualify as compensation earnable because the Authority did not have pay schedules that met each of the requirements of CCR section 570.5(a).

**Recommendations:**

The Authority must ensure that all pay schedules meet each of the requirements articulated in CCR section 570.5. Some of these requirements include pay schedules that are: properly reviewed, authorized and approved by the Authority's Council in accordance with applicable public meeting laws; show the payrate for each identified position, stated in a single amount or as multiple amounts within a range; and that are posted at the office of the employer or immediately accessible and available for public review from the employer during normal business hours or posted on the employer's internet website.

Pursuant to CCR section 570.5, payrate shall be limited to the amount listed on a pay schedule that meets all of the requirements specified. Accordingly, the calculation of retirement benefits is limited only to those pay amounts that meet the

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definition of payrate and special compensation. OAS recommends that the Authority work with CASD to correct all improperly reported pay amounts and to gain compliance with the compensation earnable provisions of the PERL and related regulations. Failure to correct the issues identified will result in individual employees' retirement benefits being calculated without any amounts of pay that fail to meet all requirements under CCR section 570.5.

The Authority should work with CASD to determine all individuals impacted by this incorrect reporting and to determine what adjustments are needed to correct the improperly reported pay amounts. To the extent that any amounts of pay were improperly included in the retirement allowance afforded individuals who have already retired, a correction to the retirement allowance should be made pursuant to Government Code section 20160.

**Condition:**

On April 2, 2012, the Authority provided CASD with copies of Council meeting minutes so CalPERS could determine if the Authority's 2010, 2011 and 2012 pay schedules were adopted and authorized by Authority's Council in accordance with PERL requirements and applicable open meeting laws. In this regard, the Authority provided minutes for Council Meetings held December 11, 2009, December 10, 2010 and December 9, 2011. However, these documents had numerous sections redacted. As a result, at that time CASD was unable to determine whether the pay schedules were adopted and authorized by the Authority's Council in accordance with PERL requirements and the applicable public meeting laws.

Prior to the on-site review, CASD explained to the Authority the requirements of a publicly available pay schedule and referred the Authority to applicable sections of the PERL and California Code of Regulations to assist the Authority in understanding the PERL and regulatory requirements and in an effort to assist the Authority's in obtaining compliance with these requirements.

The Authority held a Council meeting via teleconference on September 17, 2012, the day prior to OAS' on-site review, apparently in an effort to retroactively approve and adopt a 2012 pay schedule with a retroactive effective date of January 1, 2012. The next day, on September 18, 2012, the Authority provided OAS with copies of the meeting notice, agenda, minutes and the 2012 pay schedule approved during the Council meeting. The Authority also provided OAS with the Council Conference Call Meeting Minutes, dated September 17, 2012, that documented the 2012 pay schedule was retroactively approved with an effective date of January 1, 2012 during the September 17, 2012 teleconference Council meeting.

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OAS conducted an on-site review and arrived at the following determinations:

- The 2010 and 2011 pay schedules were not reviewed, approved and adopted by the Authority's Council. OAS was provided no information or documentation to demonstrate the Authority's Council reviewed, approved, and/or adopted the 2010 and 2011 pay schedules. Therefore, OAS found that the Authority failed to comply with CCR section 570.5(a)(1) which requires a pay schedule be duly approved and adopted by the employer's governing body.
- The 2012 pay schedule was approved by the Authority's Council on September 17, 2012, but not in accordance with applicable meeting laws. As discussed in more detail below, although the Authority's Council approved the pay schedule, it failed to do so in accordance with CCR section 570.5(a)(1) because the meeting failed to comply with applicable public meeting laws.
- The 2010, 2011 and 2012 pay schedules did not include the payrate amounts for each identified position. In many cases, the schedule included very significant differences between the low end and high end of the ranges. For example, the 2010 pay schedule identified a range with low end at \$433,000 and a high end at \$760,000 (with a difference of \$327,000 or 75%). Such broad ranges do not provide sufficient information to put the public on notice of what is actually being paid to those holding the identified position and does not permit public review or scrutiny. The broad ranges reduce transparency and potentially allow an employee to receive a substantial and arbitrary increase not received by all employees in the same group or class, which heightens the risk of large increases to an employee's pay during the final compensation period and can lead to insufficient funding for retirement benefits. Accordingly, OAS found that the Authority failed to comply with CCR section 570.5(a)(3).
- The pay schedules were not posted at the office of the employer or immediately accessible and available for public review from the employer during normal business hours or posted on the employer's internet website. The Council meeting held on September 17, 2012, which sought to approve the 2012 pay schedule was not conducted in accordance with applicable public meeting laws since the meeting notice/agenda was not posted in a public location that is freely accessible to the members of the public. The Authority confirmed to OAS that the meeting notice and agenda were posted in the lobby of the Authority's building on Thursday, September 13, 2012, by the close of business. OAS confirmed that the building is a secured building allowing only employees and/or individuals with business to conduct, access to the building during normal business hours. The building closes at 5:00 p.m. on weekdays and is closed on weekends; thus, the notice provided little more than eight business hours notice prior to the meeting. In addition, to enter the building, a receptionist must unlock the door with a button located at the reception desk. Therefore, the building is

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## BETA HEALTHCARE GROUP RISK MANAGEMENT AUTHORITY

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not freely accessible to the public. Neither the meeting notice nor the meeting agenda were posted on the Authority's website prior to the September 17, 2012 meeting. OAS determined that the Council meeting held on September 17, 2012, was not conducted in accordance with applicable public meeting laws as the meeting notice/agenda was not posted in a public location that is freely accessible to the members of the public and therefore did not meet the requirement of CCR section 570.5(a)(1).<sup>3</sup> OAS also found that the Authority did not provide adequate notification of the Council meeting to the public, and accordingly, the salary information discussed in the Council meeting held on September 17, 2012, did not comply with applicable public meeting requirements, the PERL's requirements that pay schedules be public documents available for public scrutiny, or CCR section 570.5. Furthermore, during the September 18, 2012 on-site review, upon inquiry by OAS, the Authority stated that the teleconference meeting agenda was only posted inside the Authority's building located in Alamo. As a result, OAS found that BETA also failed to comply with the applicable public meeting laws by not posting the meeting notice and agenda at each teleconference location.<sup>4</sup>

- Pay schedules were also not made available for public inspection for five years as required by CCR section 570.5(a)(7). OAS was not provided with any documentation to substantiate that pay schedules had been made available for public inspection for 5 years.

OAS finds that the Authority has not complied with all requirements of CCR section 570.5(a). As a result, pay amounts improperly reported to CalPERS for the Authority employees that do not meet these requirements cannot be used to calculate retirement benefits.

***Criteria:***

Government Code: § 20160, § 20222.5, § 20630, § 20636

California Code of Regulations: § 570.5

The Ralph M. Brown Act (Government Code Sections 54950-54963)

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<sup>3</sup> Govt. Code Sections 54954.2, 54954.

<sup>4</sup> Govt. Code section 54953(b)(3).

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## CONCLUSION

OAS limited this review to the areas specified in the scope section of this report and in the objectives as outlined in Appendix B. Since OAS did not review whether the Authority is a “public agency” (as that term is used in the California Public Employees’ Retirement Law), this report expresses no opinion or finding with respect to whether the Authority is a public agency or whether its employees are employed by a public agency.

The findings and conclusions outlined in this report are based on information made available or otherwise obtained at the time this report was prepared. This report does not constitute a final determination in regard to the findings noted within the report. The appropriate CalPERS divisions will notify the Authority of the final determination on the report findings and provide appeal rights, if applicable, at that time. All appeals must be made to the appropriate CalPERS division by filing a written appeal with CalPERS, in Sacramento, within 30 days of the date of the mailing of the determination letter, in accordance with Government Code section 20134 and sections 555-555.4, Title 2, California Code of Regulations.

Respectfully submitted,

Original Signed By Margaret Junker  
MARGARET JUNKER, CPA, CIA, CIDA  
Chief, Office of Audit Services

Date: October 2013  
Staff: Cheryl Dietz, CPA, Assistant Chief  
Diana Thomas, CIA, CIDA, Manager  
Alan Feblowitz, CFE, Manager

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**BETA HEALTHCARE GROUP RISK  
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# **APPENDIX A**

## **BACKGROUND**

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# BETA HEALTHCARE GROUP RISK MANAGEMENT AUTHORITY

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## BACKGROUND

### California Public Employees' Retirement System

CalPERS provides a variety of programs serving members employed by more than 2,500 local public agencies as well as state agencies and state universities. The agencies contract with CalPERS for retirement benefits, with CalPERS providing actuarial services necessary for the agencies to fund their benefit structure. In addition, CalPERS provides services, which facilitate the retirement process.

CASD manages contract coverage for public agencies and receives, processes, and posts payroll information. In addition, CASD provides eligibility and enrollment services to the members and employers that participate in the CalPERS Health Benefits Program, including state agencies, public agencies, and school districts. CalPERS Benefit Services Division (BNSD) sets up retirees' accounts, processes applications, calculates retirement allowances, prepares monthly retirement benefit payment rolls, and makes adjustments to retirement benefits.

Retirement allowances are computed using three factors: years of service, age at retirement and final compensation. Final compensation is defined as the highest average annual compensation earnable by a member during the last one or three consecutive years of employment, unless the member elects a different period with a higher average. State and school members use the one-year period. Local public agency members' final compensation period is three years unless the agency contracts with CalPERS for a one-year period.

The employer's knowledge of the laws relating to membership and payroll reporting facilitates the employer in providing CalPERS with appropriate employee information. Appropriately enrolling eligible employees and correctly reporting payroll information is necessary to accurately compute a member's retirement allowance.



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# **APPENDIX B**

## **OBJECTIVES**

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# BETA HEALTHCARE GROUP RISK MANAGEMENT AUTHORITY

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## OBJECTIVES

The objectives of this review were limited to the determination of:

- Whether the Authority complied with applicable sections of the California Government Code (Sections 20000 et seq.) and Title 2 of the California Code of Regulations when establishing payrates.

This review covers the period of December 1, 2009, through September 17, 2012. This review did not include a determination as to whether the Authority is a “public agency,” and expresses no opinion or finding with respect to whether the Authority is a public agency or whether its employees are employed by a public agency.

## SUMMARY

To accomplish the review objective, OAS interviewed key staff members to obtain an understanding of the methodology for establishing payrates and determining compensation earnable, reviewed pertinent documents, and performed the following procedures.

- ✓ Reviewed the methodology utilized by the Authority to establish payrates and determine whether base payrates reported were accurate, pursuant to publicly available pay schedules that identify the position title, payrate and time base for each position.
- ✓ Reviewed the methodology to ensure pay schedules were duly approved by the Authority’s governing body in accordance with requirements of applicable public meeting laws.
- ✓ Reviewed the Authority’s:
  - Council meeting minutes, agenda’s and public notices
  - Other documents used to specify payrate, compensation earnable, and conduct council meetings

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**BETA HEALTHCARE GROUP RISK  
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# **APPENDIX C**

## **THE AUTHORITY'S WRITTEN RESPONSE**



October 2, 2013

Margaret Junker  
Chief  
Office of Audit Services  
California Public Employees' Retirement System  
P.O Box 942701  
Sacramento, CA 94229-2701

**RE:     Job Number: FR12-004**  
**CalPERS ID: 6221875602**  
**Employer Code: 1881**

*Corporate Office*  
1443 Danville Boulevard  
Alamo, CA 94507  
925-838-6070   **MAIN**  
800-838-4111   **TOLL FREE**  
925-838-6088   **FAX**

*Glendale Office*  
330 North Brand Boulevard  
Suite 1090  
Glendale, CA 91203  
818-242-0123   **MAIN**  
800-838-4111   **TOLL FREE**  
818-547-3888   **FAX**

*San Diego Office*  
15373 Innovation Drive  
Suite 120  
San Diego, CA 92128  
858-675-7400   **MAIN**  
800-890-9305   **TOLL FREE**  
858-675-7444   **FAX**

**www.betahg.com**  
A PUBLIC ENTITY

Dear Ms. Junker:

BETA Healthcare Group Risk Management Authority (BETARMA) agrees to comply with all the recommendations in CalPERS' September 19, 2013, audit report related to its onsite visit on September 18, 2012. We will take the following actions to resolve the issues highlighted in the report:

1. For calendar years 2009 through 2014, prepare publicly available pay schedules containing a "reasonable" annual payrate range for each position. We have already provided these documents to CASD's Antone Paul for review and approval.
2. Upon receiving approval from CASD on the publicly available pay schedules, schedule a regular open meeting of our governing board, the BETA Council, to review, approve and adopt the 2009 through 2014 publicly available pay schedules with retroactive effective dates of January 1 of each respective year. This meeting will be held in accordance with all requirements of applicable public meeting laws.
3. Post a copy of the meeting notice/agenda in the "Governance" section of our website and at the reception desk in our Alamo, California office in compliance with applicable public meeting laws. While we have a viewable secured entrance with intercom at our Alamo office because of threats by claimants against our staff, anyone stating a desire to view the agenda would be given immediate access. Our Alamo office is open Monday through Friday from 8:30 a.m. to 5:00 p.m., similar to most other California public agencies.
4. Work with CASD to identify any employees/retirees impacted by the OAS audit report recommendations and conditions and address any improperly reported pay amounts.
5. Once approved by CASD and the BETA Council, post the publicly available pay schedules for the most recent five years (2009-2013) in the "Compensation and Benefits" section of our website. The 2014 publicly available pay schedule will be added to and the 2009 pay schedule removed from our website after the close of business on December 31, 2013.

We thank the OAS for continuing to assist BETARMA in our ongoing efforts to comply with the PERL, Government Code section 20636 and CCR section 570.5. We trust that our efforts will ensure that all BETARMA employees and retirees receive the benefits to which they are entitled. You are always welcome to audit BETARMA to verify the above or any other issue that might be of concern to CalPERS.

Regards,

A handwritten signature in blue ink that reads 'Thomas Wander'.

Thomas Wander  
Chief Executive Officer

cc:     Karen DeFrank, Chief, CASD, CalPERS  
          Diana Thomas, Audit Manager, CIA, CIDA  
          Antone Paul, Compensation Review Unit, CASD  
          Debbie Verdream, Human Resources Director, BETARMA